DOCKET NO.: IVOO-0069 **Application No.:** 09/781,680

Office Action Dated: October 7, 2004

This listing of claims will replace all prior versions, and listings, of claims in the application.

Listing of Claims:

Claims 1-41. (Canceled)

42. (New) A method comprising:

providing at least one portable multilayer storage medium having a physical format to at least one viewer having multiple video segments recorded thereon;

reading the medium with a reader device configured to read the physical format; and tracking with the reader device which and how many times the video segments are played using characteristics of said physical format.

- 43. (New) The method according to Claim 42, wherein the at least one multilayer storage medium has multiple feature length movies stored thereon.
- 44. (New) The method according to Claim 42, wherein the act of providing the at least one viewer with the at least one multilayer storage medium comprises the act of distributing multiple multilayer storage mediums to the at least one viewer on a periodic basis.
- 45. (New) The method according to Claim 42, wherein the multilayer storage medium is an optical disk that has the capacity to store at least approximately 20 gigabytes of information.
- 46. (New) The method according to Claim 42, wherein the multilayer storage medium contains recordings of classic/older movies.
- 47. (New) The method according to Claim 46, wherein the act of providing the at least one viewer with the at least one multilayer storage medium comprises the act of providing a mechanism for the at least one viewer to order a selected multilayer storage medium of multiple classic/older movie multilayer storage mediums.
- 48. (New) The method according to Claim 42, wherein the multilayer storage medium was recorded on using near-field disk recording.

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49. (New) The method according to Claim 42, wherein the multiple video segments are encrypted.

- 50. (New) The method according to Claim 42, wherein the reader device has a first, unique identifier.
- 51. (New) The method according to Claim 50, further comprising providing a mechanism for the at least one viewer to select the unique identifier for the reader device.
- 52. (New) The method according to Claim 50, further comprising transmitting information between the reader device and a central computer.
- 53. (New) The method according to Claim 52, wherein the transmitting act comprises the act of the reader device transmitting the first unique identifier to the central computer.
- 54. (New) The method according to Claim 53 further comprising, when the reader device transmits its first identifier to the central computer, the reader device also transmitting a second unique identifier to the central computer.
- 55. (New) The method according to Claim 54 further comprising, when the central computer receives the first and second identifiers from the reader device, the central computer creating a digital rights management code and sending said code to said reader device.
- 56. (New) The method according to Claim 55 wherein, when the central computer sends said code to said reader device, the central computer also sends to said reader device instructions for an amount of available credit that the reader device can draw upon.
- 57. (New) The method according to Claim 53, further comprising, when each reader device transmits its first identifier to the central computer, the reader device also transmits to the central computer data identifying at least one movie that has been played on the reader device.

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58. (New) The method according to Claim 57 wherein the act of transmitting information further comprises, when each reader device transmits its first identifier to the central computer, the reader device also transmitting to the central computer information identifying dates and times that movies have been played on the reader device.

- 59. (New) The method according to Claim 42 wherein the reader device has a first table that lists standard pricing rules for a first category of movies.
- 60. (New) The method according to Claim 59 wherein the reader device has a second table that lists exception pricing rules for a second category of movies.
- 61. (New) A video distribution system, comprising:

at least one portable multilayer storage medium having a physical format and multiple video segments recorded thereon; and

at least one reader device to be provided to at least one viewer configured to read said multilayer storage medium, wherein the reader device is configured to read the physical format and track, using characteristics of said physical format, which and how many times the video segments are played.

- 62. (New) The system according to Claim 61 wherein said at least one multilayer storage medium is part of a group of multilayer storage mediums comprising a first group of multilayer storage mediums having newer release movies recorded thereon, and a second group of multilayer storage mediums having classic/older movies recorded thereon.
- 63. (New) The system according to Claim 62 further comprising a distribution network that distributes at least one multilayer storage medium having new release movies to the at least one viewer on a periodic basis and provides a mechanism for the at least one viewer to order selected ones of the second group of multilayer storage mediums having the classic/older movies.
- 64. (New) The system according to Claim 61 wherein the multilayer storage medium was recorded on using near-field disk recording.

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65. (New) The system according to Claim 61 wherein the reader device has a first unique identifier.

- 66. (New) The system according to Claim 65 further comprising a central, system computer, and wherein information is transmitted between said computer and the reader device.
- 67. (New) The system according to Claim 66 wherein the reader device transmits its first unique identifier, and a second unique identifier to the central computer; and in response to receiving first and second unique identifiers from reader device, the central computer creates a digital rights management code and sends said code to the reader device.
- 68. (New) The system according to Claim 67 wherein, when the central computer sends said code to said reader device, the central computer also sends to the reader device instructions for the amount of available credit that the reader device can draw upon.
- 69. (New) The system according to Claim 67 wherein, when each reader device transmits its first identifier to the central computer, the reader device also transmits to the central computer reader information identifying the dates and times that movies have been shown on the reader device.
- 70. (New) The system according to Claim 61, wherein the reader device includes a first table that lists standard pricing rules for a first category of movies, and a second table that lists exception pricing rules for a second category of movies.
- 71. (New) A device for playing video segments digitally recorded on at least one multilayer storage medium comprising:

a playback device for playing the at least one multilayer storage medium having multiple video segments recorded thereon, wherein said playback device is configured to read said multilayer storage medium, wherein the reader device is configured to read a physical format of said storage medium and track, using characteristics of said physical format, which and how many times the video segments are played.

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72. (New) The device according to Claim 71, wherein the multilayer storage medium was recorded on using near-field disk recording.

- 73. (New) The device according to Claim 71 wherein said at least one multilayer storage medium is part of a group of multilayer storage mediums having a first group of new release movies and a second group having classic/older movies.
- 74. (New) The device according to Claim 71 wherein the playback device has a unique first identifier.
- 75. (New) A device according to Claim 74 wherein the playback device has a mechanism to transmit the first unique identifier to a system computer.
- 76. (New) The device according to Claim 75 wherein, when the system computer has a mechanism to receive the first unique identifier from the playback device, create a digital rights management code and send the code to the playback device.
- 77. (New) The device according to Claim 71 wherein the playback device has a mechanism to transmit to a system computer information identifying the dates and times that video segments are played on the playback device.
- 78. (New) The device according to Claim 71 wherein a system computer also sends to said playback device instructions for the amount of available credit that said playback device can draw upon.
- 79. (New) The device according to Claim 78, wherein the playback device includes an associated second table listing exception pricing rules for a second category of movies.
- 80. (New) The device according to Claim 79, wherein the system computer comprises means for changing pricing rules listed in the first and second tables.
- 81. (New) The device according to Claim 71, wherein the playback device includes an associated first table listing standard pricing rules for a first category of movies.

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82. (New) The device according to Claim 71, wherein the multilayer storage medium is an optical disk that has the capacity to store at least approximately 20 gigabytes of information.